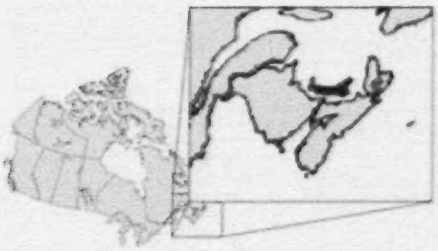
Labour Market Bulletin

Prince Edward Island



May 2018

This Labour Market Bulletin provides an analysis of Labour Force Survey results for the province of Prince Edward Island.

OVERVIEW

Labour market conditions remain healthy in Prince Edward Island. The labour force averaged 83,600 in May 2018, down by just under 1% from April. Despite this monthly slip, the labour force has been on an increasing trend over the past two years, having risen 5.6% from its low point in July 2016. The level of employment in Prince Edward Island reached a record 75,800 in May. The province experienced monthly gains in both its part-time and full-time employment bases. The slight contraction in the labour force coupled with employment growth resulted in a near 2 percentage point drop in PEI's unemployment rate, which stood at 9.3% in May. The participation rate eased, to 66.7%, though remained highest in the Atlantic Region and exceeded the national average by 1.4 percentage points.

Prince Edward Island Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	May 2018	Apr 2018	May 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	125.3	125.1	123.7	0.2	0.2	1.6	1.3
Labour Force ('000)	83.6	84.3	82.9	-0.7	-0.8	0.7	0.8
Employment ('000)	75.8	75.0	74.7	0.8	1.1	1.1	1.5
Full-Time ('000)	63.5	63.0	62.7	0.5	0.8	0.8	1.3
Part-Time ('000)	12.3	12.0	12.1	0.3	2.5	0.2	1.7
Unemployment ('000)	7.8	9.4	8.2	-1.6	-17.0	-0.4	-4.9
Unemployment Rate (%)	9.3	11.2	9.9	-1.9	-	-0.6	-
Participation Rate (%)	66.7	67.4	67.0	-0.7	-	-0.3	-
Employment Rate (%)	60.5	60.0	60.4	0.5	-	0.1	-

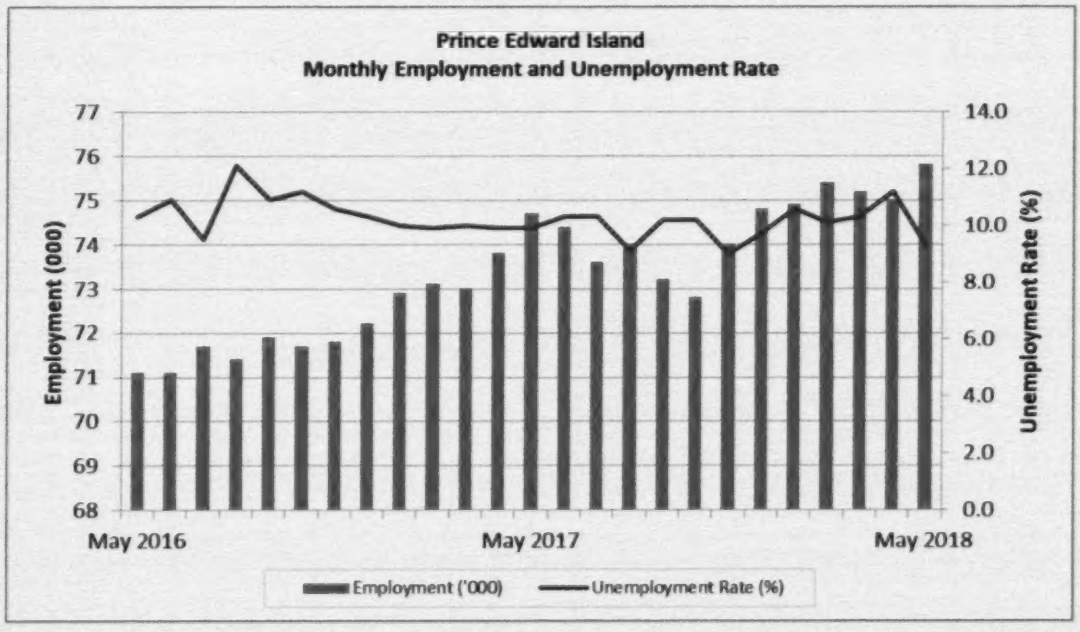
Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0287

The PEI labour force experienced modest gains on a year-over-year basis, driven entirely by increased participation of older workers (persons aged 55 years and over). Women comprised a slight majority of this growth. A partial offset to this gain were reductions in the number of persons in the 25-54 age range, and Island youths (persons aged 15-24 years), who were working or looking for work. An average of 12,500 youths participated in the labour force in May, which is 200 fewer than a year ago. The youth labour force has been on a

downward trend since having reached its 22 year high in March 2013 (at 14,400). Since then, the number of youths comprising PEI's labour force declined by nearly 12%.

Employment in PEI expanded by 1.5% on a year-over-year basis, slightly exceeding the national rate. This was attributed to gains in both part-time and full-time employment. The gender composition with respect to growth differed: males accounted for all of the full-time gains while the part-time job growth was attributed entirely to women.



Most of the year-over-year gain in employment in May was attributed to growth in the number of public sector employees (+800) and self-employed persons (+400). The number of self-employed workers in PEI increased by 3.5% year-over-year, which doubled growth nationally. Approximately 1 in 4 persons in PEI are employed by the public sector, about six percentage points higher than the national average.

Prince Edward Island Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	May 2018	Apr 2018	May 2017	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	9.3	11.2	9.9	-1.9	-0.6
25 years and over	8.4	10.3	9.5	-1.9	-1.1
Men - 25 years and over	8.7	10.0	10.7	-1.3	-2.0
Women - 25 years and over	8.1	10.7	8.0	-2.6	0.1
15 to 24 years	14.4	15.7	11.8	-1.3	2.6
Men - 15 to 24 years	16.4	21.5	15.4	-5.1	1.0
Women - 15 to 24 years	11.9	8.1	9.7	3.8	2.2

Source: Statistics Canada Labour Force Survey – Table 14-10-0287

The level of unemployment in the province decreased year-over-year as employment growth outpaced labour force gains. The unemployment rate dropped to 9.3% in May. Among the major age categories in PEI, youths

exhibited the highest unemployment rate in May, at 14.4%. The unemployment rate for youth males was 16.4% and compares to 11.9% for females.

Year-over-year growth in the Island's labour force fell short of population growth which put a bit of downward pressure on the participation rate, at 66.7% in May 2018. Though lower overall, the participation rate for older workers (persons 55+ years of age) was higher compared to the same period a year ago: participation of older females increased by 2.5 percentage points; and for men, a gain of 0.9 of a percentage point.

EMPLOYMENT BY INDUSTRY

The annual increase in PEI's employment base in May 2018 was entirely concentrated in the goods-producing sector, particularly **Agriculture** and **Construction**.

There were 5,800 people employed in Construction in May, which is 11.5% higher compared to a year ago. There has been considerable growth in construction activity in recent months. Based on available estimates, the value of building permits (residential and non-residential) in March 2018 was up by 43% over the same month in 2017. Furthermore, the volume of urban and rural construction of multiple-dwelling units was up by 11% over the same month in 2017. A closer inspection of urban construction activity reveals that construction of multiples have been the driving force for the industry. Growth in housing sales and population are key factors owing to the strong construction performance in the province. According to the Construction Association of Prince Edward Island, the industry is looking to hire upwards of 400 additional workers to meet existing demand. Furthermore, the association projects another 1,800 workers will need to be recruited in the province over the next ten years to fill anticipated vacancies from attrition.

Prince Edward Island Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	May 2018	Apr 2018	May 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	75.8	75.0	74.7	0.8	1.1	1.1	1.5
Goods-producing sector	19.4	18.6	17.8	0.8	4.3	1.6	9.0
Agriculture	3.7	3.8	2.9	-0.1	-2.6	0.8	27.6
Forestry, fishing, mining, quarrying, oil and gas	2.8	2.3	2.8	0.5	21.7	0.0	0.0
Utilities	0.2	0.2	0.2	0.0	0.0	0.0	0.0
Construction	5.8	5.8	5.2	0.0	0.0	0.6	11.5
Manufacturing	6.9	6.6	6.7	0.3	4.5	0.2	3.0
Services-producing sector	56.5	56.3	56.9	0.2	0.4	-0.4	-0.7
Trade	11.1	11.1	11.5	0.0	0.0	-0.4	-3.5
Transportation and warehousing	2.6	2.4	2.7	0.2	8.3	-0.1	-3.7
Finance, insurance, real estate and leasing	2.9	2.9	2.5	0.0	0.0	0.4	16.0
Professional, scientific and technical services	3.5	3.6	3.5	-0.1	-2.8	0.0	0.0
Business, building and other support services	1.7	2.0	1.8	-0.3	-15.0	-0.1	-5.6
Educational services	5.5	5.5	5.2	0.0	0.0	0.3	5.8
Health care and social assistance	10.9	10.8	10.5	0.1	0.9	0.4	3.8
Information, culture and recreation	2.5	2.9	2.9	-0.4	-13.8	-0.4	-13.8
Accommodation and food services	6.4	5.6	6.0	0.8	14.3	0.4	6.7
Other services	2.9	3.1	3.3	-0.2	-6.5	-0.4	-12.1
Public administration	6.5	6.4	7.0	0.1	1.6	-0.5	-7.1

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0355

Manufacturing employment continues to expand in the province. At 6,900 in May, the employment base for manufacturing is 100 shy of its all time high reached in August 2005. Companies in the industry continue to benefit from a favorable currency position relative to the U.S. dollar, which makes its exports more competitive

in international markets. Island-based exports year-to-date (Jan-Apr 2018) are on par with the same period a year ago, driven by exports of fresh potatoes and aerospace parts.

Service-sector employment contracted for the second consecutive month in May. Employment levels on a year-over-year basis were lower in **Public administration**; **Trade** (wholesale and retail); and **Information, culture and recreation**. The Trade industry was effected in part by the closure of The Sears store in January, effecting about 85 employees. Although employment in Trade is down slightly year-over-year, levels have been on par with historical highs. In fact, since its low point in June 2016 (at 9,700), employment in this industry rose significantly, reaching an all-time high a year later (at 11,700 in June 2017). The value of retail spending in the province continutes to grow, up by 5.3% in the first quarter of 2018 over the same quarter a year ago. Notable gains in **Accommodation and Food Services**; **Health care and social assistance**; and **Finance, insurance, real estate, rental and leasing** partially offset losses in this sector in May.

Note: *In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.*

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http://www.esdc.gc.ca/cgi-bin/contact/edsc-esdc/eng/contact_us.aspx?section=lmi
For information on the Labour Force Survey, *please visit the Statistics Canada Web site at:* www.statcan.gc.ca

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